

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CONAKR 00314 011558Z

72

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 SPC-03 SAM-01 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 L-03 H-03 CIAE-00 COME-00 FRB-02 INR-10

NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 INT-08 GSA-02

NEA-10 DODE-00 PA-04 USIA-15 PRS-01 DRC-01 /208 W

----- 082438

R 281500Z FEB 74

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 9559

INFO AMEMBASSY PARIS

LIMITED OFFICIAL USE CONAKRY 0314

E.O. 11652: N/A

TAGS: EMIN

SUBJECT: BAUXITE: FRIGUIA BOARD MEETING

1. GILBERT MOTT, VICE PRESIDENT OF OLIN, AND DWIGHT KELLER, CHIEF EXECUTIVE BRITISH ALUMINUM, DISCUSSED FEB 26-27 FRIGUIA BOARD MEETING WITH EMBOFF ON FEB 28. MAIN ITEMS THAT CAME UP AT MEETING AND IN SUBSEQUENT LUNCHEON MEETING WITH PRESIDENT TOURE WERE PRICE OF ALUMINA AND COST REDUCTION MEASURES.

2. ON PRICE MOST INTERESTING COMMENT MOTT MADE WAS THAT DURING MEETINGS CHIEF GUINEAN PRESENT, MINISTER OF MINES AND GEOLOGY LAMINE TOURE, SAID THAT IF PRIVATE PARTNERS DID NOT AGREE TO PRICE INCREASE NOW THEY MAY WISH THEY HAD AFTER BAUXITE PRODUCERS MEETINGS SCHEDULED TO BEGIN MAR 1. BOARD DID FINALLY AGREE TO NEW TRANSFER PRICE OF \$92.50 A TON UP FROM \$71.60. ACCORDING TO MOTT TWO-THIRDS OF THIS INCREASE CAN BE JUSTIFIED ON INCREASED COST FOR PETROLEUM. NEW PRICE IS TEMPORARY, PENDING WORKING OUT OF NEW FORMULA FOR DETERMINING PRICE FROM FRIGUIA TO FRIALCO PARTNERS. COMMENT: FRIGUIA IS CURRENTLY OPERATING AT A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CONAKR 00314 011558Z

LOSS AND PRICE INCREASE WAS GUINEAN SOLUTION TO GETTING COMPANY TO

OPERATE AT A PROFIT WHILE PARTNERS FAVORED REDUCTION IN OPERATING COSTS. NEITHER MOTT NOR EMBASSY ABLE TO INTERPRET LAMINE TOURE'S REMARKS CONCERNING PRODUCERS CONFERENCE. END COMMENT.

3. ANOTHER ITEM RAISED BY GUINEANS WHICH THEY SAID WOULD BE A "SURPRISE" TO PARTNERS WAS REQUEST THAT ONE-THIRD RULE FOR CONVERSION OF HARD CURRENCY INTO SYLIS SHOULD BE ABOLISHED, AND GUINEAN CENTRAL BANK SHOULD ACT AS BANKERS FOR FRIGUIA CONVERTING SYLIS FOR THEM WHEN NEEDED. IN CONVERSATION WITH MARCHANDISE, VICE PRESIDENT OF PECHINY, PRESIDENT TOURE SAID GUINEANS DID NOT WANT TO CONTINUE UNDER ONE-THIRD RULE AND ALSO HAD PROBLEM WITH SOVIETS ON THIS AS SOVIETS PUSHING FOR ONE-THIRD RULE AND GUINEANS DO NOT WANT TO GIVE IT TO THEM. MOTT AND KELLER BOTH SAID COMPANY COULD NOT ACCEPT THIS. PARTNERS FEEL THEY MADE SOME PROGRESS TOWARDS CONVINCING PRESIDENT TOURE OF THEIR POSITION AND IN ANY CASE BELIEVE THEY ARE IN STRONG POSITION BECAUSE ACCORDING TO BASIC AGREEMENT ONLY THEY HAVE RIGHT TO ABOLISH THIS RULE.

4. ON COST-CUTTING MEASURES, GUINEANS WOULD NOT AGREE TO REDUCE COMMISSARY RATIONS AND TAXES OR TO RAISE PRICES OF COMMISSARY ITEMS TO WORKERS. THEIR COUNTER-PROPOSAL WAS THAT IF PRICES TO WORKERS WERE RAISED WAGES WOULD ALSO HAVE TO BE RAISED. AT SAME TIME GUINEANS AGREED TO REDUCE WORK FORCE BY TWO HUNDRED TO CUT COSTS BUT ALSO REQUESTED ADDITIONAL THIRTY SALARIED POSITIONS, WHICH MOTT SAID MADE SOME SENSE. GUINEANS ALSO ASKED 60-MILLION SYLIS TO FINANCE PAVING OF CONAKRY-KIMBO ROAD AND 30-MILLION SYLIS TO REBUILD AIRPORT AT FRIAM DISCUSSIONS ON ABSORBING LOSS FOR LAST YEAR'S OPERATIONS WERE APPARENTLY INCONCLUSIVE. PARTNERS STILL WILLING TO ASSUME LOSS FOR FIRST-HALF YEAR BUT GUINEANS MADE NO COMMITMENT ON ABSORBING LOSS FOR SECOND HALF.

5. NEXT MEETING SCHEDULED FOR GREECE, PROBABLY IN SEPTEMBER, ALTHOUGH MOTT FELT IT MIGHT HAVE TO BE HELD EARLIER.  
HAVERKAMP

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BAUXITE, PETROLEUM, MEETINGS, MINING INDUSTRY, PRICE TRENDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CONAKR00314  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** CONAKRY  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t1974024/aaaaacur.tel  
**Line Count:** 98  
**Locator:** TEXT ON-LINE  
**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 APR 2002 by elyme>; APPROVED <10 JUN 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BAUXITE: FRIGUIA BOARD MEETING  
**TAGS:** EMIN, GV, OLIN, BRITISH ALUMINIMUM, (MOTT, GILBERT), (KELLER, DWIGHT)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005